

FINANCING STATEMENT

RECORDATION NO. 21264

FILED

October 15, 1997

MAR 9 '98

4-35 PM

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RECEIVED
SURFACE TRANSPORTATION
BOARD

Surface Transportation Board
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Railroad Documentation

Gentlemen:

Pursuant to the provision of Section 1116.4 of Chapter X of the Regulations of the Surface Transportation Board (formerly known as the Interstate Commerce Commission), the following letter is hereby submitted.

The names and address of the parties to the transaction are as follows:

Mortgagor (Debtor): Brownsville & Rio Grande International Railroad
P. O. Box 3818
Brownsville, Texas 78523-3818

Mortgagee (Secured Party): NationsBank of Texas, National Association
222 East Van Buren
Harlingen, Texas 78578

Guarantor: None

A general description of the railroad equipment is attached hereto as Exhibit "A".

The owner of the aforementioned railroad equipment is Brownsville & Rio Grande International Railroad.

Enclosed are three executed counterparts of the Security Agreement and Mortgage as required by ICC Rules and a check for \$22.00 to cover the filing fees.

The original document should be returned to NationsBank of Texas, National Association, 222 East Van Buren, Harlingen, Texas 78578, Attention: _____.

Please call the undersigned collect if you have any questions regarding this matter.

Very truly yours,

BROWNSVILLE & RIO GRANDE INTERNATIONAL RAILROAD

By: _____

Jack Dempsey, Chairman of the Board of Trustees

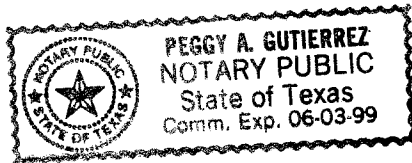
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STATE OF TEXAS

COUNTY OF Cameron

On this 21st day of January 1997, before me personally appeared JACK DEMPSEY to me personally known, who being by me duly sworn, says that he is the Chairman of the Board of Trustees of Brownsville & Rio Grande International Railroad, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

(SEAL)



Peggy A. Gutierrez
Notary Public, State of Texas

My commission expires: 06-03-99

EXHIBIT "A"

Three (3) rail locomotives with 1200 horsepower engines bearing the following numbers:

BRG 1145

BRG 1130

BRG 237

HO972940140

102197 v1

249:9766-376